

**ADDENDUM 4-A, VACANT / SUBDIVISION LAND QUESTIONNAIRE****Required by 39-1-103(14)(d) and (e), C.R.S.**

This questionnaire provides you with an easy method to submit information to the county assessor concerning **VACANT LOTS** within your development. The questionnaire is in two parts, **Part I** requests information on lots sold; **Part II** requests a breakdown of lots by stage of development. Information listed should be by approved plat (filing). **DUPLICATE THIS QUESTIONNAIRE FOR EACH APPROVED PLAT (FILING)**. Information requested may be submitted in a format adapted to your inventory system in lieu of this questionnaire. Please refer to the instructions on the back of the form. **All information provided by the developer shall be kept confidential by the assessor.**

**QUESTIONNAIRES MUST BE RETURNED TO ASSESSOR BY MARCH 20, 2005****APPROVED PLAT:** \_\_\_\_\_**TOTAL NUMBER OF LOTS IN THIS APPROVED PLAT:** \_\_\_\_\_**PART I      VACANT LOT SALES WITHIN THE APPROVED PLAT:****Total number of lots sold from July 1, 2002 thru December 31, 2002:** \_\_\_\_\_ \***Total number of lots sold from January 1, 2003 thru June 30, 2003:** \_\_\_\_\_ \***Total number of lots sold from July 1, 2003 thru December 31, 2003:** \_\_\_\_\_ \***Total number of lots sold from January 1, 2004 thru June 30, 2004:** \_\_\_\_\_ \*

\* Please indicate the number of lots acquired from or sold to another developer, builder or governmental entity.

**Price range of vacant lots on June 30, 2004 with 100% of infrastructure completed:****\$ \_\_\_\_\_ to \$ \_\_\_\_\_. Range is for ( ) multiple ( ) single lot purchase.****Indicate influences which strongly affect value:****(+) = positive factor (-) = negative factor ( ) = unknown****( ) Site size****( ) Schools****( ) Recreation****( ) Shopping****( ) Covenants****( ) Employment****( ) Medical****( ) Price Range****( ) Environment****( ) Common area****( ) Other \_\_\_\_\_****PART II      LOT STATUS WITHIN THE APPROVED PLAT:****Total number of lots with structures on June 30, 2004:** (           )**Total number of lots remaining vacant on June 30, 2004:** (           )**Vacant lot breakdown of infrastructure as of January 1, 2005:****(Use worksheet on reverse side for determining numbers)****100% (    )      75% (    )      50% (    )      25% (    )      0% (    )****Person completing questionnaire:** \_\_\_\_\_  
**(please print name)****Signature:** \_\_\_\_\_**Date Completed:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

### **GUIDELINES FOR COMPLETING PART II**

Use the worksheet below for determining percentage of infrastructure completed on vacant lots as of January 1, 2005.

Transfer the total number of lots within each percentage group to PART II, on the reverse page of this questionnaire. The term "lot" as used in this questionnaire and worksheet also means site, tract, or parcel.

Information is requested for all vacant land.

<b><u>INFRASTRUCTURE WORKSHEET</u></b>			
<b><u>FOR</u></b>			
<b><u>VACANT LOTS WITHIN AN APPROVED PLAT</u></b>			
<b>STAGE OF COMPLETION</b>	<b>PERCENTAGES SPECIFIC</b>	<b>CUMULATIVE</b>	<b>NUMBER OF LOTS</b>
<b>No infrastructure</b>	<b>0%</b>	<b>0%</b>	<b>(     )</b>
<b>Professional Services*</b>	<b>10%</b>		
<b>Clearing/Grading</b>	<b>15%</b>	<b>25%</b>	<b>(     )</b>
<b>Domestic Water/Sewer &amp; Storm Sewer</b>	<b>25%</b>	<b>50%</b>	<b>(     )</b>
<b>Paving/Curbs/Gutters</b>	<b>25%</b>	<b>75%</b>	<b>(     )</b>
<b>Utilities</b>	<b>15%</b>		
<b>Landscaping/Amenities</b>	<b>5%</b>		
<b>Warranties*</b>	<b>5%</b>	<b>100%</b>	<b>(     )</b>
<b>Total number of vacant lots in approved plat:</b>			<b>(     )</b>
<p><b>NOTE:</b> If the percentages for infrastructure vary significantly from the list, please indicate the correct percentage in the space to the right of each specific percentage. Cumulative percentages advance after completion of all items within a stage.</p>			
<p><b>* Indirect costs of development, not deductible under any circumstances.</b></p>			

### **ADDENDUM 4-B, 2005-2006 DISCOUNT RATE CALCULATION**

The safe rate, management rate, and risk rate range components of the discount rate are provided by the Division for statewide use. Considerations for illiquidity are accounted for in the safe and risk rates. Any differences in the rates should be completely documented.

Safe rate component	.0462	or 4.62%
Management rate component	.0200	or 2.00%
Risk rate range component	<u>.0280</u> to <u>.0475</u>	or <u>2.80</u> to <u>4.75%</u>

The composite discount rate for 2005-2006is	.0942 (9.42%) to .1137 (11.37%)
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Rounded to	9.50% to 11.50%
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Final composite discount rates may be rounded to the nearest one-half percent to facilitate use of the compound interest tables.

**Safe rate:** The safe rate is considered to be the US 10-year Treasury Bill rate. The rate is typically considered to be without risk. The rate for the US 10-year Treasury Bill, as listed in the Federal Reserve website ([www.federalreserve.gov](http://www.federalreserve.gov)) for the appraisal date 6/30/04 is 4.62 percent. This component of the discount rate is provided for statewide use.

**Management rate:** The management rate is for the management of the money, not of the property. Usually, this rate is from 1 to 3 percent depending on the size and complexity of the investment. This rate, once established for a development area, does not normally change. The recommended management rate for statewide use is 2 percent.

**Risk rate:** The annual rate of return on capital, which is commensurate with the risk assumed by the investor. If appropriate, the risk rate is determined on an individual basis depending on each approved plat. Risk depends upon several factors.

1. Size of the development
2. Desirability or need for the development
3. Financial stability of the developer
4. Location
5. Price range of tracts, parcels, lots, or sites
6. Utilities available
7. Access to the development
8. Soil conditions

However the risk rate should not exceed the Division's recommended published range of 2.8 to 4.75 percent without verified documentation.

**Considerations for Illiquidity:** The consideration for illiquidity accounts for the invested dollar not being available for other investment uses within a short period of time. The consideration is recognized in the safe and risk components of the discount rate.

Some assessors may have better information available in their counties to determine a discount rate outside of the Division's published range. If that discounted rate is supportable and documented, it **IS** appropriate to use county or subdivision specific discount rates.